

Dear sir:

As an employee of a large GOM leaseholder, and a lifetime resident of the Gulf Coast, I am writing to encourage you to make the process for offshore alternative energy supplies as friendly as possible. The Gulf Coast has a long history of oil and gas exploration, whose end is on the horizon. While this is no overnight process, many jobs will eventually be lost as the oil and gas fields offshore reach the end of their productive lives. I hope you can see that economically, a substitute for these lost jobs or at least some of them can be had via alternative energies such as wind and wave generators.

I encourage you to make the application process as simple and economical as can be, to promote these new technologies. As the MMS expertise lies primarily in Oil and Gas Exploration, I would further encourage you to rely on the developer for feasibility rather than some type of ad-hoc formulae. These developers will not engage in their projects if the economic numbers do not add up, and their expertise is greater than the MMS - thus it makes sense to let them "fend for themselves" in terms of economics.

I would ask that you provide the same safety regulations and safety oversight to this new industry that you have successfully implemented with the Oil and Gas sectors - Oil and Gas accident rates, considering the number of wells drilled, and their depths and pressures in the GOM is outstanding, and MMS is largely responsible for increased offshore safety.

I would ask that you make access to lease properties as equitable and fair as possible, and provide incentives whereby an Oil and Gas Operator gets a break in royalty payments when installing alternative energy generating equipment on an existing O&G platform. Anything to encourage our O&G companies to "think outside the box" with respect to using existing infrastructure will only speed the evolution of renewables. And as you already know, the facilities cost will be the biggest hurdle for new energy development offshore. We need to do this to wean ourselves off of oil and gas.

I would like to see the BLM policy for wind also extended to OCS renewables. The BLM process allows prospective developers to lease development rights while proving up their potential for a limited time. Then the developer must put up his wind farm or give up the lease, but an operating lease should have a term of twenty years or more. This is similar to the use it or lose it philosophy that underlies oil leases let by the MMS, and is not actually a major change. But it is critical that unused leases get recycled to other entrepreneurs.

A streamlined review process should be instigated. Current law allows LNG terminal builders single agency review and federal pre-emption, and shows the importance of this fuel to our country. Most renewables do not have the associated risks and dangers of LNG, and thus it would make sense that using these simple standards would be not only feasible, but preferred. The key here is to keep the processes simple in order to encourage the development of this new energy infrastructure. The only other option would be that prospective project builders submit application to all affected parties, and these parties would then be allowed to comment to MMS. MMS would be the final arbiter, primarily due to MMS experience in offshore operations in general. No other state or federal organization has this type of offshore operational expertise, and thus MMS is best qualified to evaluate impact and should carry the majority of the weight in the courts if need be.

Low and fair royalty payments are required for any new industry. To attempt to offset reduced O&G royalties with renewables is not equitable or fair. Nothing can compete with oil and gas in terms of energy density and transportability, and certainly not with their demand - these new industries are about electricity. In its regulation of onshore wind farms the Bureau of Land Management charges a 3% royalty on wind farm revenue once the wind farm is up and running. This would seem to be fair for offshore renewables in all forms. Offshore renewable energy revenues should not exceed the BLM precedent. Oil and gas can be drilled only once, hence the higher royalty rate. In contrast, energy will continue to flow from the sun, winds, and tides indefinitely. Long term, the 3% will prove to be very

equitable for the government and her citizens, as will not diminish over time.

Keep it simple; encourage existing offshore players to get in the game; make it easy for new companies to enter the market; DO NOT expect renewables to replace oil and gas royalties - it is unrealistic, unfair and will inhibit development of these new technologies. In the face of declining OCS oil and gas, this is the best hope to keep the Gulf Coast alive and vibrant with jobs for our children and grandchildren.